

# Seeing is Believing: Green Energy Direct Marketing That Sells

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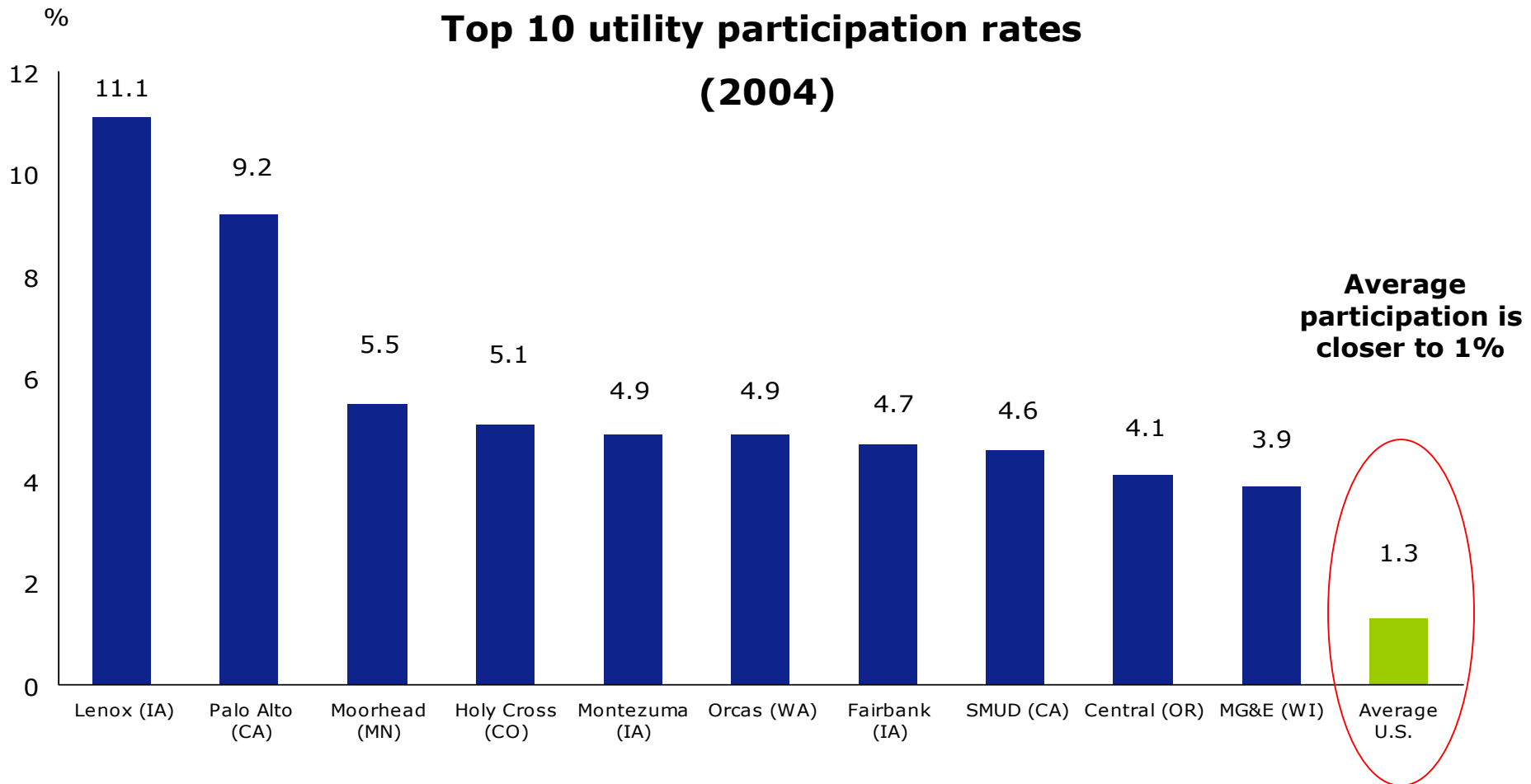
# Seeing is believing: The main points

**Green energy direct marketing is getting much lower response rates than efforts for other products**

**Some basic ways to improve green marketing collateral**

- ▶ The simpler, the better the results
- ▶ A short list of concepts that experts believe work
  - Emotional message
  - Targeted (via segmentation) to a specific community
  - Simple text
  - Strong graphics
- ▶ Primen's panel of experts selected as their favorite a campaign that portrayed helping our children, grandchildren, and future generations

# Residential green energy participation



**Data sources:** NREL & personal communications

# Why are some programs more successful than others?

## Primen research effort to answer this question, focusing on direct marketing efforts

- ▶ Searched for successful direct mail advertisements and bill inserts
- ▶ Convened green energy and advertising experts to review this marketing collateral
  - Panel included direct marketing developers, marketing consultants, green energy ad creators, and product designers
- ▶ Solicited experts' views on materials, including designs, shared strengths, common themes, and targeting



# Green energy direct marketing currently lags behind broader industry

Response Rates	Direct Mail	Bill Insert
Green Energy*	0.8%	0.09%
All Products**	1.6%	1.46%

- ▶ Direct marketing the backbone of utilities' green energy marketing efforts
- ▶ Accounts for more than 75% of advertising dollars spent
- ▶ For the majority of utilities, not getting good response rates

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**Sources:** \*A. Capage and \*\*Direct Marketing Association

# Studying green energy direct marketing successes

Utility	Direct marketing type	Residential response rate
Xcel Energy	Direct Mail	5.6%
Moorhead Public Service	Direct Mail	3.0%
MidAmerican Energy	Direct Mail #1	2.6%
City of Palo Alto	Bill Insert	2.3%
Eugene WEB	Bill Insert	2.2%
MidAmerican Energy	Direct Mail #2	2.0%
Community Energy	Bill Insert	0.4%
Holy Cross Energy	Bill Insert	0.4%

# Experts reviewing the direct marketing

**Këri Bolding**, Center for Resource Solutions, Communications Director responsible for the Marketers' Group working to build the green power market and develop green energy marketing resources

**Renee de Alba**, Insight Consulting, former AAAA advertising agency vice president, leader of four green energy direct mail development groups for various utilities, with 3% - 5% response rates

**Dr. Sandra Moriarty**, University of Colorado, author of eight texts on marketing communications and creating winning advertising

**Dr. Tom Duncan**, Integrated Marketing Communication Program and University of Denver, 15 years in the advertising industry, working on both the agency and client sides, including the largest advertising agencies

**Ed Holt**, Ed Holt & Associates, a green power marketing consulting firm, conducted research on consumer information needs for choosing green electricity products

**Mark Barosko**, Green Mountain Energy Company, manages green energy direct marketing concepts and groups

**Eric Blank**, Community Energy, Inc., Executive Vice President pioneering entrepreneurial approaches for promoting renewable energy, responsible for development of one of the first and most successful wind energy marketing programs

**Blair Swezey**, NREL, Principal Policy Advisor on the formulation of renewable energy programs and policies

# Suggestion #1: copy the strongest ideas

Utilities often mistakenly create their own pieces rather than adapt and copy ideas already proven successful

*A utility in one area is not going to have that much knowledge of what other utilities are doing to market their green power or what kinds of materials they're using*

*At the utility, there's often an issue with the old-school marketing folks... I don't think we do enough as an industry at best practices review – having folks speak to, and hear from, the folks that are successful, and understanding why they are successful*

Successful utilities happy to send copies of their direct marketing materials, as well as talk about their experiences

Surprisingly, several had not been asked for their pieces before, by researchers or other utilities

# The most successful marketing concepts

**From reviewing the successful campaigns and drawing on their experience, experts gave a short list:**

- ▶ Helping our children, grand children and future generations
- ▶ Community and local economic development
- ▶ Energy independence or patriotism
- ▶ Green energy resource-based advertising
- ▶ Harmony with nature

The most effective way to convince customers is to link product concept to powerful motivations customers already have, to **use emotional based messages**

*As one green pricing manager wrote, "Make sure your advertising is emotional – don't use the traditional utility bland advertising approach."*

**Source:** D. Lieberman, Center for Resource Solutions

# Other reasons for successful advertising

## Our expert panel believes that success can be found through the following steps

- ▶ Choose a single message & avoid multiple marketing ideas
  - Use a headline that supports the single message

*I would have one idea, and continue it through. That's true for any ad. You just have one idea, and you hammer it over and over again*

*Utility companies come from a technical field. So when they want to do ads, they put a lot of technical information in it, and it's just not necessary*

- ▶ Target mailing to a specific community, but make sure the concept and language is matched to people in those communities
- ▶ Create a simple, easy, and convincing order form

# Experts Favorite Direct Marketing Piece



At MidAmerican, we are looking to the future, and new ways to serve our customers both now and for generations to come. That's why we're exploring wind energy.

For an extra \$2.75 per month, or less than a dime a day, your family can help purchase power generated by the wind, providing a clean, locally produced energy alternative.

WindPower: another of MidAmerican's diverse energy assets.



- ▶ Residential response rate: 2.6% Business response rate: 0.9%
- ▶ Direct mail piece concept testing
- ▶ Focused mailing with no PR
- ▶ Single message: future generations
- ▶ Emotional primary message
- ▶ Simple emphasis headline
- ▶ Strong graphics and design
- ▶ Separate simple order form attached
- ▶ Light blocks of short, clean text

***I love these ads. I can't say enough about them... You're paying off of leaving a legacy, which would rank as one of the top two or three angles or ways to pitch a product like this***

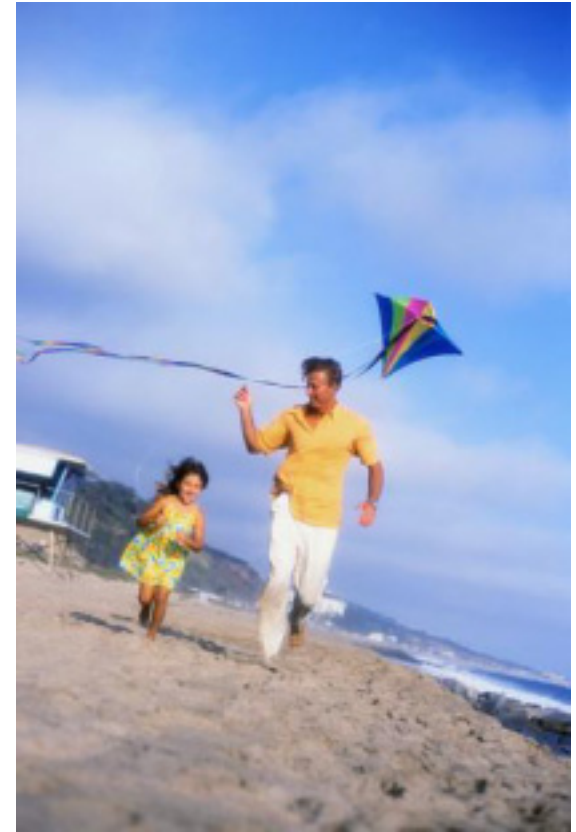
# More success by segmenting the market

- ▶ Most advertising has been limited to one segment in each market
- ▶ Separate emotional messages in different direct mail pieces can get different segments to buy
- ▶ Reaching multiple segments means greater participation rates

## Remember, only one main concept per advertisement!

*The green power marketplace is not at all monolithic. There are distinct market segments, and they have very different motives for buying green power... Two groups may both buy the same green power product, but only if each sees the group-specific qualities it desires. The process is to understand the various segments' motivations, and then select different messages to highlight the specific ways a green power product fits them*

**Source:** Terry Peterson, EPRI



# A New Concept For A Different Segment



- ▶ Residential response rate: 2.0% Business response rate: 1.5%
- ▶ Direct mail piece concept testing
- ▶ Focused mailing with no PR
- ▶ Single message: patriotism
- ▶ Emotional primary message
- ▶ Simple emphasis headline
- ▶ Strong graphics and design
- ▶ Light blocks of short, clean text

***The power of freedom is a very strong message of power. Independence. Freedom. It's very pro-American, very patriotic***

***This is certainly a different segment of the market, one that is more reactively patriotic than I am... It's gut level stuff***

# For further information...



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